



0000031765

BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

MAY 16 2000

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER

DOCKETED BY

sd

ARIZONA CORPORATION COMMISSION,)

COMPLAINANT,)

v.)

SABROSA WATER COMPANY AN)
ARIZONA CORPORATION.)

RESPONDENT)

DOCKET NO. W-02111A-00-0286

COMPLAINT AND ORDER
TO SHOW CAUSEDECISION NO. 62572

Open Meeting
May 9 and 10, 2000
Phoenix, Arizona

The Arizona Corporation Commission ("the Commission"), for its complaint against

Respondent, alleges:

1. Complainant is a governmental agency of the State of Arizona, existing by virtue of Article 15 of the Arizona Constitution.
2. Respondent is a public service corporation, certificated to provide public utility service in the State of Arizona.
3. Respondent is obligated to maintain water utility service in its service territory pursuant to the grant of authority contained in its certificate.
4. As a public service corporation, Respondent is subject to the jurisdiction of the Commission.
5. Respondent is an Arizona Corporation that provides water service to customers in an area located approximately 20 miles north of the City of Phoenix in Maricopa County.

- 1 6. Mr. Keith Morris is the owner and the individual who makes management a:
2 operational decisions for this system.
- 3 7. This request for the issuance of a Complaint and Order to Show Cause is based
4 upon Respondent's inability to provide an adequate and continuous level of water
5 service to its customers, and its violation of the Arizona Department of
6 Environmental Quality ("ADEQ") regulations regarding water quality.
- 7 8. On April 18, 2000, Staff of the Arizona Corporation Commission ("Staff")
8 became aware that most of Respondents customers were without water as a result
9 of a phone call from the Maricopa County Department of Emergency
10 Management ("MCDEM").
- 11 9. MCDEM became aware of the outage through a phone call from the Respondent.
- 12 10. The Respondent contacted MCDEM requesting that MCDEM haul water to
13 Respondent's Customers.
- 14 11. On April 18, 2000, Respondent called Staff explaining the outage and the need ,
15 haul water.
- 16 12. Respondent requested instruction on the process for filing for emergency rates to
17 cover the cost of water hauling.
- 18 13. Respondent indicated to Staff that the outage was due to a decreasing water table.
- 19 14. On April 18, 2000, Staff, along with a representative of the Maricopa County
20 Environmental Services Department ("MCESD") made an on site inspection of
21 Respondent's plant and system.
- 22 15. Staff found the system to contain three wells.
- 23 16. The primary well did not appear to be functioning, and had approximately one (1)
24 foot of water in the storage tank.
- 25 17. The second well was in service, but could only provide service to customers in the
26 lower portion of the system.
- 27 18. The third well's pump was being replaced, with the work to be completed by the
28 end of that day.

- 1 19. It was evident that the water outage occurred due to plant problems and not to a
2 decreasing water table.
- 3 20. During the evening of April 18, 2000, service was restored to all customers.
- 4 21. Because of the water outage, MCESD conducted an inspection of Respondent's
5 system.
- 6 22. Following the inspection, MCESD issued a "Notice of Violation" against
7 respondent listing numerous plant and monitoring deficiencies.
- 8 23. In addition, Staff has become aware that MCESD has an outstanding 1995 Cease
9 and Desist Order against Respondent.
- 10 24. The on-site inspection by Staff and MCESD on April 18, 2000, revealed that
11 Respondent has not complied with the 1995 Cease and Desist Order.
- 12 25. In addition, MCESD issued a "Public Notice of Total Coliform" on April 18,
13 2000 notifying Respondent's customers to find an alternate source of water or to
14 boil the water provided by Respondent before ingestion.
- 15 26. Due to the existence of elevated total coliform levels as evidenced in the MCESD
16 Notice of Violation, the Commission finds that an emergency exists justifying an
17 expedited hearing process.
- 18 27. Due to these facts, Staff recommends that an Order to Show Cause be issued by
19 this Commission to include the following four counts.

20 (Count I)

21

- 22 28. The failure to maintain a pressure of at least 20 pounds per square inch at ground
23 level at all points in the distribution system, which is a violation of A.A.C. R14-2-
24 407 (E).

25 (Count II)

26

- 27 29. The failure to provide adequate water storage, which is a violation of A.A.C. R14-
28 2-407 (F).

(Count III)

30. The failure to employ a certified operator, which is a violation of A.A.C. R14-2-407 (C) and A.R.S. § 40-321.

(Count IV)

31. The failure to monitor the water system for radio-chemicals, nitrates, and total coliform which is a violation of A.A.C. R14-2-407 (C) and A.R.S. § 40-321.

RELIEF REQUESTED

32. Pursuant to Article XV, Section 3 of the Arizona Constitution and A.R.S. §§ 40-203, 40-204, 40-250, and 40-251, the Commission should require respondent, having failed to provide adequate service, to remedy the deficiencies that are the cause of the inadequate service.
33. Staff requests that the Commission declare that respondent has violated the provisions of the Arizona Administrative Code and Arizona Revised Statutes and shall be sanctioned appropriately in accordance with Commission Rules and State Law (A.R.S. §§ 40-424, 40-425, 40-426, and 40-0428).
34. Staff further requests that the Commission authorize Staff to take any action necessary to engage a qualified management entity to operate and manage Sabrosa Water Company to bring the utility into full compliance.
35. Staff further recommends that the Commission order such other relief as may be appropriate under the circumstances of this case.

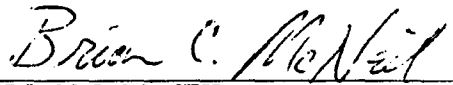

ORDER

THEREFORE IT IS ORDERED that the Respondents appear before the Arizona Corporation Commission at a time and place designated by the Hearing Division and show cause, if any, why the Commission should not grant the relief requested by this Order.

IT IS FURTHER ORDERED that this decision shall become effective immediately

BY ORDER OF THE ARIZONA CORPORATION COMMISSION
CHAIRMAN
COMMISSIONER
COMMISSIONER

IN WITNESS WHEREOF, I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 16th day of May, 2000.


BRIAN C. McNEIL
Executive Secretary 

DISSENT _____

DMW:alb